

105TH CONGRESS
1ST SESSION

H. R. 392

To provide for economic growth by reducing income taxes for most Americans, by encouraging the purchase of American-made products, and by extending transportation-related spending, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 9, 1997

Mr. ANDREWS introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Transportation and Infrastructure, Government Reform and Oversight, Banking and Financial Services, and Appropriations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for economic growth by reducing income taxes for most Americans, by encouraging the purchase of American-made products, and by extending transportation-related spending, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Economic Growth In-
5 centive Act of 1997”.

TITLE I—REDUCTION IN INDIVIDUAL INCOME TAXES

SEC. 101. 5-PERCENT DECREASE IN INDIVIDUAL INCOME TAXES FOR MOST TAXPAYERS.

(a) RATE REDUCTIONS.—Subsection (f) of section 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(8) RATE REDUCTIONS.—In prescribing the tables under paragraph (1) which apply with respect to taxable years beginning in a calendar year after 1997—

“(A) ‘14.25%’ shall be substituted for ‘15%’,

“(B) ‘26.6%’ shall be substituted for ‘28%’,

“(C) ‘29.45%’ shall be substituted for ‘31%’, and

“(D) ‘34.2%’ shall be substituted for ‘36%’.”

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(2) of such Code is amended by inserting “except as provided in paragraph (8),” before “by not changing”.

(2) Subparagraph (C) of section 1(f)(2) of such Code is amended by inserting “and the reductions

1 under paragraph (8) in the rates of tax” before the
2 period.

3 (3) The heading for subsection (f) of section 1
4 of such Code is amended by inserting “RATE RE-
5 Ductions;” before “ADJUSTMENTS”.

6 (c) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to taxable years beginning after
8 December 31, 1997.

9 **TITLE II—INCENTIVE FOR PUR-**
10 **CHASE OF AMERICAN-MADE**
11 **PROPERTY**

12 **SEC. 201. DEDUCTION FOR GENERAL SALES TAXES ON**
13 **AMERICAN-MADE TANGIBLE PERSONAL**
14 **PROPERTY.**

15 (a) IN GENERAL.—Subsection (a) of section 164 of
16 the Internal Revenue Code of 1986 (relating to deduction
17 for taxes) is amended by inserting after paragraph (5) the
18 following new paragraph:

19 “(6) State and local general sales taxes imposed
20 in respect of qualified sales at retail of American-
21 made property.”

22 (b) DEFINITIONS.—Subsection (b) of section 164 of
23 such Code is amended by adding at the end thereof the
24 following new paragraph:

1 “(5) DEFINITIONS RELATING TO GENERAL
2 SALES TAXES.—For purposes of subsection (a)(6)—

3 “(A) QUALIFIED SALES.—The term ‘quali-
4 fied sale’ means any sale of property if the
5 price (including taxes and shipping (if any))
6 paid by the taxpayer for such property and all
7 other American-made property purchased with
8 such property in the same transaction exceeds
9 \$500.

10 “(B) AMERICAN-MADE PROPERTY.—The
11 term ‘American-made property’ means tangible
12 personal property more than 50 percent of the
13 cost of which is attributable to value added in
14 the United States.”

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to taxable years beginning after
17 the date of the enactment of this Act.

18 **TITLE III—SURFACE** 19 **TRANSPORTATION PROGRAMS**

20 **SEC. 301. OBLIGATION CEILING.**

21 Section 1002 of the Intermodal Surface Transpor-
22 tation Efficiency Act of 1991 (23 U.S.C. 104 note; 105
23 Stat. 1916–1918) is repealed.

1 **SEC. 302. AUTHORIZATION OF APPROPRIATIONS FOR HIGH-**
2 **WAY PROGRAMS.**

3 Section 1003(a) of the Intermodal Surface Transpor-
4 tation Efficiency Act of 1991 (105 Stat. 1918–1922) is
5 amended—

6 (1) in paragraph (1)—

7 (A) by striking “and”; and

8 (B) by striking “fiscal year 1997” and in-
9 serting “each of fiscal years 1997, 1998, 1999,
10 and 2000”;

11 (2) in paragraph (2)—

12 (A) by striking “and”; and

13 (B) by striking “fiscal year 1997” and in-
14 serting “each of fiscal years 1997, 1998, 1999,
15 and 2000”;

16 (3) in paragraph (3)—

17 (A) by striking “and”; and

18 (B) by striking “fiscal year 1997” and in-
19 serting “each of fiscal years 1997, 1998, 1999,
20 and 2000”;

21 (4) in paragraph (4)—

22 (A) by striking “and” the second place it
23 appears; and

24 (B) by striking “fiscal year 1997” and in-
25 serting “each of fiscal years 1997, 1998, 1999,
26 and 2000”;

1 (5) in paragraph (5)—

2 (A) by striking “and”; and

3 (B) by striking “fiscal year 1997” and in-
 4 serting “each of fiscal years 1997, 1998, 1999,
 5 and 2000”;

6 (6) in paragraph (6)(A) by striking “and 1997”
 7 and inserting “1997, 1998, 1999, and 2000”;

8 (7) in paragraph (6)(B) by striking “and 1997”
 9 and inserting “, 1997, 1998, 1999, and 2000”;

10 (8) in paragraph (6)(C) by striking “and 1997”
 11 and inserting “, 1997, 1998, 1999, and 2000”;

12 (9) in paragraph (7) by striking “and 1997”
 13 and inserting “1997, 1998, 1999, and 2000”; and

14 (10) in paragraph (8) by striking “and 1997”
 15 and inserting “1997, 1998, 1999, and 2000”.

16 **SEC. 303. DONOR STATE BONUS AMOUNTS.**

17 Section 1013(c)(1) of the Intermodal Surface Trans-
 18 portation Efficiency Act of 1991 (23 U.S.C. 157 note; 105
 19 Stat. 1940) is amended by adding at the end the following
 20 new subparagraphs:

21 “(G) For fiscal year 1998 \$514,000,000.

22 “(H) For fiscal year 1999 \$514,000,000.

23 “(I) For fiscal year 2000 \$514,000,000.”.

1 **SEC. 304. APPORTIONMENT ADJUSTMENTS.**

2 (a) HOLD HARMLESS.—Section 1015(a)(1) of the
3 Intermodal Surface Transportation Efficiency Act of 1991
4 (23 U.S.C. 104 note; 105 Stat. 1943) is amended by strik-
5 ing “1997” and inserting “2000”.

6 (b) 90-PERCENT OF PAYMENT ADJUSTMENTS.—Sec-
7 tion 1015(b)(1) of such Act is amended by striking
8 “1997” and inserting “2000”.

9 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
10 1015(e) of such Act is amended by striking “1997” and
11 inserting “2000”.

12 **SEC. 305. SET-ASIDE FOR 4R PROJECTS.**

13 Section 118(c)(2)(A) of title 23, United States Code,
14 is amended by striking “fiscal year 1997” and inserting
15 “each of fiscal years 1997, 1998, 1999, and 2000”.

16 **SEC. 306. DISCRETIONARY BRIDGE PROGRAM.**

17 Section 144(g)(1) of title 23, United States Code, is
18 amended by striking “and 1997” each place it appears
19 and inserting “1997, 1998, 1999, and 2000”.

20 **SEC. 307. NATIONAL HIGH-SPEED GROUND TRANSPOR-**
21 **TATION PROGRAMS.**

22 Section 1036(d)(1) of the Intermodal Surface Trans-
23 portation Efficiency Act of 1991 (105 Stat. 1986) is
24 amended—

1 (1) in subparagraph (A) by striking “fiscal year
2 1995” and inserting “each of fiscal years 1995,
3 1998, 1999, and 2000”; and

4 (2) in subparagraph (B) by striking “and
5 1996” and inserting “1996, 1998, 1999, and 2000”.

6 **SEC. 308. HIGHWAY TIMBER BRIDGE PROGRAM.**

7 Section 1039(e) of the Intermodal Surface Transpor-
8 tation Efficiency Act of 1991 (23 U.S.C. 144 note; 105
9 Stat. 1991) is amended by striking “and 1997” and in-
10 serting “1997, 1998, 1999, and 2000”.

11 **SEC. 309. HIGHWAY USE TAX EVASION PROJECTS.**

12 Section 1040(f)(1) of the Intermodal Surface Trans-
13 portation Efficiency Act of 1991 (23 U.S.C. 101 note; 105
14 Stat. 1992–1993) is amended by striking “and 1997” and
15 inserting “1997, 1998, 1999, and 2000”.

16 **SEC. 310. SCENIC BYWAYS PROGRAM.**

17 Section 1047(d) of the Intermodal Surface Transpor-
18 tation Efficiency Act of 1991 (23 U.S.C. 101 note; 105
19 Stat. 1998) is amended by striking “and 1997” and in-
20 serting “1997, 1998, 1999, and 2000”.

21 **SEC. 311. CONSTRUCTION OF FERRY BOATS AND FERRY**
22 **TERMINAL FACILITIES.**

23 Section 1064(c) of the Intermodal Surface Transpor-
24 tation Efficiency Act of 1991 (23 U.S.C. 129 note; 105
25 Stat. 2005) is amended by striking “fiscal year 1997” and

1 inserting “each of fiscal years 1997, 1998, 1999, and
2 2000”.

3 **SEC. 312. HIGHWAY SAFETY AUTHORIZATION OF APPRO-**
4 **PRIATIONS.**

5 Section 2005 of the Intermodal Surface Transpor-
6 tation Efficiency Act of 1991 (105 Stat. 2079) is
7 amended—

8 (1) in paragraph (1)—

9 (A) by striking “and” the second place it
10 appears; and

11 (B) by inserting after “1997” the follow-
12 ing: “and, \$171,000,000 for each of fiscal years
13 1998, 1999, and 2000”; and

14 (2) in paragraph (2) by striking “1997” and in-
15 serting “2000”.

16 **SEC. 313. HIGHWAY SAFETY OBLIGATION CEILINGS.**

17 Section 2009 of the Intermodal Surface Transpor-
18 tation Efficiency Act of 1991 (105 Stat. 2080) is amended
19 by striking subsections (a) and (b) and inserting the fol-
20 lowing:

21 “Sums authorized to be appropriated by this title and
22 the amendments made by this title shall not be subject
23 to any obligation limitation.”.

1 **SEC. 314. FEDERAL TRANSIT ACT AUTHORIZATIONS.**

2 Section 5338 of title 49, United States Code, is
3 amended—

4 (1) in subsection (a)(1)(E) by striking “the fis-
5 cal year ending September 30, 1997” and inserting
6 “each of fiscal years 1997, 1998, 1999, and 2000”;
7 and

8 (2) in subsection (b)(1)(E) by striking “the fis-
9 cal year ending September 30, 1997” and inserting
10 “each of fiscal years 1997, 1998, 1999, and 2000”.

11 **SEC. 315. REDUCTION IN FEDERAL TRANSIT ACT AUTHOR-**
12 **IZATIONS FOR BUDGET COMPLIANCE.**

13 Section 3038 of the Intermodal Surface Transpor-
14 tation Efficiency Act of 1991 (105 Stat. 2138) is repealed.

15 **SEC. 316. MOTOR CARRIER SAFETY GRANT PROGRAM.**

16 Section 31104(a)(5) of title 49, United States Code,
17 is amended by striking “the fiscal year ending September
18 30, 1997” and inserting “each of fiscal years 1997, 1998,
19 1999, and 2000”.

20 **SEC. 317. 3-YEAR EXTENSION OF HIGHWAY TRUST FUND EX-**
21 **PENDITURES.**

22 Subsections (c)(1) and (d)(3) of section 9503 of the
23 Internal Revenue Code of 1986, as amended by this Act,
24 are each amended by striking “1997” and inserting
25 “2000”.

1 **TITLE IV—RELIEF FROM CREDIT**
2 **CRUNCH**

3 **SEC. 401. LOOSENING OF REQUIREMENTS ON LOAN LOSS**
4 **RESERVES ENCOURAGED.**

5 (a) FINDINGS.—The Congress hereby finds that—

6 (1) the economy of the United States has been
7 in a sustained period of slow growth;

8 (2) credit for commercial and consumer loans
9 and leases has become more difficult to obtain over
10 the past three years, resulting in a “credit crunch”;

11 (3) the banking industry has adopted a cautious
12 credit policy in response to the state of the economy
13 and the problems experienced by the savings and
14 loan industry;

15 (4) the Federal Reserve has lowered its reserve
16 requirements on member banks for both checking
17 and savings deposits over the past two years in an
18 effort to stimulate the economy, with only moderate
19 success; and

20 (5) the loosening of the requirements on loan
21 loss reserves by State banking authorities and the
22 appropriate Federal banking agencies, as that term
23 is defined in section 3(q) of the Federal Deposit In-
24 surance Act (12 U.S.C. 1813(q)), might help stimu-
25 late the economy.

1 (b) DECLARATION.—It is the sense of the Congress
2 that—

3 (1) the current “credit crunch” should be eased
4 by making it easier for businesses and individuals to
5 obtain loans and leases; and

6 (2) State banking authorities and the appro-
7 priate Federal banking agencies, as that term is de-
8 fined in section 3(q) of the Federal Deposit Insur-
9 ance Act (12 U.S.C. 1813(q)), should more sensibly
10 apply the requirements on loan loss reserves so as
11 not to punish or restrain responsible borrowers.

12 **TITLE V—CAP ON FEDERAL**
13 **EMPLOYMENT**

14 **SEC. 501. CAP ON FEDERAL EMPLOYMENT.**

15 (a) EMPLOYMENT CAP.—Notwithstanding any other
16 provision of law, the total number of individuals employed
17 by the Federal Government may not exceed the number
18 of individuals employed by the Federal Government on the
19 date of the enactment of this Act.

20 (b) RESCISSION OF APPROPRIATIONS.—Notwith-
21 standing any other provision of law, there are hereby re-
22 scinded all unobligated amounts that were appropriated
23 before the date of the enactment of this Act to pay salary,
24 wages, or benefits for a position in the employment of the
25 Federal Government that is not filled on that date.

1 **TITLE VI—REDUCTION IN**
2 **FEDERAL OVERHEAD EXPENSES**

3 **SEC. 601. REDUCTION OF AMOUNTS AVAILABLE TO FED-**
4 **ERAL AGENCIES FOR PAYING OVERHEAD EX-**
5 **PENSES.**

6 (a) RESCISSION OF APPROPRIATIONS.—Notwith-
7 standing any other provision of law, there is hereby re-
8 scinded an amount equal to 10 percent of all unobligated
9 amounts that were appropriated before the date of the en-
10 actment of this Act to pay overhead expenses of any Fed-
11 eral agency.

12 (b) REDUCTION IN AUTHORIZATIONS.—The amount
13 authorized to be appropriated for any fiscal year to pay
14 overhead expenses of any Federal agency is hereby re-
15 duced by 10 percent.

16 (c) OVERHEAD EXPENSES DEFINED.—For purposes
17 of this section, the term “overhead expenses” means any
18 expense incurred by a Federal agency, except—

19 (1) the payment of salaries and wages of em-
20 ployees of the agency; and

21 (2) direct spending (as that term is defined in
22 section 250 of the Balanced Budget and Emergency
23 Deficit Control Act of 1985).

○